



July 16, 2020

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue
Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

RE: Clarification of News Report

We refer to your letter dated July 16, 2020 seeking clarification and/or confirmation of the news article titled “Shakey’s shelves expansion plan for 2020” posted in Inquirer.net. The article reported in part that:

“Restaurant chain operator Shakey’s Pizza Asia Ventures Inc. is holding off the rollout of new stores and cutting by half its capital outlays this year to prepare for a prolonged period of tough operating environment arising from the coronavirus pandemic.

Shakey’s has likewise shelved any discussion on offshore franchising but is not closing its doors to the acquisition of restaurant brands that may be up for grabs at attractive valuations during this difficult period.

The Po family-led restaurant group is originally targeting 38 new store openings this year, only one of which had been opened in the first quarter.

‘On new stores—what was supposed to be a record-breaking year in terms of organic expansion has now been put on pause. Prudence dictates that we review both our existing store network, as well as our planned expansion strategy amidst the economic uncertainties brought about by the crisis,’ Shakey’s president Vicente Gregorio said during the company’s stockholders meeting on Wednesday.

From an original capital spending budget of P600 million for this year, capital outlays will be reduced to P250 million to P300 million, most of which had already been disbursed in the first few months of the year.

SHAKEY’S PIZZA ASIA VENTURES, INC.

Shakey’s WOW Center, East Service Road, Paranaque, Metro Manila
www.shakeypizza.ph



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We wish to confirm that the Company has put on pause its new store opening plans for 2020, which was originally set at 38 net new stores for the full-year.

We also wish to confirm that the Company is reducing by half its capital spending budget for the year to approximately Php250 to 300 million from an original Php600 million. Majority of this amount has already been spent during the first few months of the year.

Finally, we wish to confirm that we are holding off on our international expansion, as we prioritize management time and resources towards our Philippine operations.

However, we wish to clarify that these plans are based on evolving conditions, particularly with respect to the COVID-19 situation. These initiatives remain subject to changes in macroeconomic and health factors and other company-specific developments.

We trust that you find the foregoing clarification sufficient and in order.

Very truly yours,

GIOVANNA M. VERA
Head – Investor Relations

About PIZZA:

Shakey's has been creating over 40 years of great times and great memories in the Philippines. Having started its first store in Metro Manila in 1975, Shakey's now operates nationwide with a store count of more than 200 stores. Shakey's is one of the leading operators of Fast Casual Restaurants in the Philippines, focused on family casual dining. It maintains market leadership in both the chained pizza full-service and chained full-service restaurant categories. Shakey's believes its superior value arises from its differentiated menu offerings, high-quality products, and a mission to consistently provide great times and great memories to every Shakey's guest.



PIZZA Investor Relations
investorrelations@shakeys.biz
+(632) 633 8555